

AMENDED IN ASSEMBLY APRIL 7, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 93

Introduced by Assembly Member Canciamilla

January 8, 2003

An act to add Division 30 (commencing with Section 81000) to the Water Code, relating to financing a water quality, water security, and water supply infrastructure improvement program, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 93, as amended, Canciamilla. Safe, Clean, and Reliable Water Supply Water Bond Act of 2004.

Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs.

This bill would enact the Safe, Clean, and Reliable Water Supply Water Bond Act of 2004 which, if adopted, would authorize, for purposes of financing a water quality, water security, and water supply infrastructure improvement program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$_____.

The bill would require the Secretary of State to submit the bond act to the voters at the _____ election.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Division 30 (commencing with Section 81000) is added to the Water Code, to read:

DIVISION 30. THE SAFE, CLEAN, AND RELIABLE
WATER SUPPLY BOND ACT OF 2004

CHAPTER 1. SHORT TITLE

81000. This division shall be known and may be cited as the Safe, Clean, and Reliable Water Supply Water Bond Act of 2004.

CHAPTER 2. DEFINITIONS

81001. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.

81002. “Bay-delta” means the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

81003. “Board” means the State Water Resources Control Board.

81004. “CALFED” refers to the consortium of state and federal agencies with management and regulatory responsibilities in the bay-delta that are developing a long-term solution to water management, environmental, and other problems in the bay-delta watershed.

81004.5. “California Bay-Delta Authority” means the authority established pursuant to Section 79410.

81005. “Clean Water Act” means the federal Clean Water Act (33 U.S.C. Sec. 1251 et seq.), and any amendment thereto.

81006. “Committee” means the Safe, Clean, and Reliable Water Supply Finance Committee established by Section 81132.

81007. “Delta” means the Sacramento-San Joaquin Delta.

81008. “Department” means the Department of Water Resources.

81009. “Fund” means the Safe, Clean, and Reliable Water Supply Bond Fund established by Section 81015.

1 CHAPTER 3. THE SAFE, CLEAN, AND RELIABLE WATER SUPPLY
2 BOND FUND
3

4 81015. The proceeds of bonds issued and sold pursuant to this
5 division shall be deposited in the Safe, Clean, and Reliable Water
6 Supply Bond Fund, which is hereby established in the State
7 Treasury.
8

9 CHAPTER 4. SAFE DRINKING WATER PROGRAM
10

11 Article 1. Definitions
12

13 81016. Unless the context otherwise requires, the following
14 definitions govern the construction of this chapter.

15 (a) “Federal act” means the federal Safe Drinking Water Act
16 (42 U.S.C. Sec. 300f et seq.), and any amendment thereto.

17 (b) “State department” means the State Department of Health
18 Services.

19 (c) “Supplier” means any person, partnership, corporation,
20 association, public agency, or other entity, including, but not
21 limited to, any Indian tribe having a federally recognized
22 governing body carrying out substantial governmental duties in
23 and powers over any area, that owns or operates a public water
24 system.
25

26 Article 2. Safe Drinking Water State Revolving Fund
27

28 81017. The sum of ~~_____dollars (\$_____)~~ *one hundred fifty*
29 *million dollars (\$150,000,000)* is hereby transferred from the fund
30 to the Safe Drinking Water State Revolving Fund established by
31 Section 116760.30 of the Health and Safety Code.

32 81018. The money transferred to the Safe Drinking Water
33 State Revolving Fund pursuant to Section 81017 shall be expended
34 by the state department for loans and grants to suppliers for the
35 purposes of undertaking infrastructure improvements and related
36 actions to meet safe drinking water standards, in accordance with
37 the Safe Drinking Water State Revolving Fund Law of 1997
38 (Chapter 4.5 (commencing with Section 116760) of Part 12 of
39 Division 104 of the Health and Safety Code).
40

1 Article 3. Water Pollution Prevention and Control Program

2
3 81019. (a) The sum of ~~=====dollars (\$=====)~~ *fifty million*
4 *dollars (\$50,000,000)* is hereby transferred from the fund to the
5 Contaminant Removal Program Account, which is hereby
6 established in the fund.

7 (b) The state department shall expend the money in the
8 Contaminant Removal Program Account, upon appropriation by
9 the Legislature to the state department, for the purposes of
10 providing grants and low-interest loans for pilot projects and
11 demonstration projects for drinking water disinfection using
12 ultraviolet technology and ozone treatment, and for treatment and
13 removal of any of the following contaminants:

14 (1) Petroleum products, such as MTBE and BTEX.

15 (2) N-Nitrosodimethylamine (NDMA).

16 (3) Perchlorate.

17 (4) Radionuclides, such as radon, uranium, and radium.

18 (5) Pesticides ~~and herbicides~~.

19 (6) Heavy metals, such as arsenic, mercury, and chromium.

20 (7) Pharmaceuticals and endocrine disrupters.

21 (8) Biological pathogens.

22 81020. (a) The sum of ~~=====dollars (\$=====)~~ *five hundred*
23 *million dollars (\$500,000,000)* is hereby transferred from the fund
24 to the Arsenic Reduction and Removal Account, which is hereby
25 established in the fund.

26 (b) The money in the Arsenic Reduction and Removal
27 Account, upon appropriation by the Legislature to the state
28 department, shall be expended by the state department for the
29 purpose of providing grants and low-interest loans to local public
30 agencies for developing and implementing domestic water supply
31 treatment projects necessary to comply with Part 9 (commencing
32 with Section 9.1), Part 141 (commencing with Section 141.1), and
33 Part 142 (commencing with Section 142.1) of Title 40 of the Code
34 of Federal Regulations.

35 81021. Not more than 5 percent of the funds made available
36 pursuant to this article may be expended for administrative
37 purposes.

38 81022. (a) The state department may adopt regulations that
39 establish eligibility criteria for grants and loans awarded pursuant
40 to this article.

(b) For the purposes of awarding grants pursuant to this chapter, the state department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the state department determines that there is financial hardship. Projects for which no matching funds are required due to financial hardship shall meet all other eligibility criteria.

81023. The sum of ~~_____~~ dollars (\$~~_____~~) ten million dollars (\$10,000,000) is hereby transferred from the fund to the Emergency Clean Water Grant Fund established pursuant to Section 116475 of the Health and Safety Code for the purposes of that section.

CHAPTER 5. ~~SALINITY MANAGEMENT PROGRAM~~

~~81030. The sum of _____ dollars (\$_____)~~ is hereby transferred from the fund to the Salinity Management Program Account, which is hereby established in the fund.

~~81031. The board shall expend the money in the Salinity Management Account, upon appropriation by the Legislature to the board, for grants and low interest loans for the purposes of treating or eliminating runoff and other impacts from irrigation of drainage impacted agricultural lands, for the acquisition of those lands, treatment of surface and subsurface agricultural runoff and drain water, and other appropriate measures necessary to reduce the impact of agricultural runoff to the San Joaquin River.~~

~~81032. Not more than 5 percent of the funds made available pursuant to this chapter may be used for administrative purposes.~~

~~81033. The board may adopt regulations that establish eligibility criteria for grants and loans awarded pursuant to this chapter.~~

CHAPTER 5. POLLUTION CONTROL PROGRAM

81030. (a) The sum of sixty million dollars (\$60,000,000) is hereby transferred from the fund to the Salinity Management Program Account, which is hereby established in the fund.

(b) The board, upon appropriation by the Legislature to the board, shall expend the money in the Salinity Management Account for grants and low-interest loans for the purposes of

1 *treating or eliminating runoff and other impacts from irrigation of*
2 *drainage-impacted agricultural lands, for the acquisition of those*
3 *lands, treatment and subsurface agricultural runoff and drain*
4 *water, and other appropriate measures necessary to enhance water*
5 *supply reliability or improve environmental quality.*

6 81031. (a) *The sum of sixty million dollars (\$60,000,000) is*
7 *hereby transferred from the fund to the Animal Nutrients Account,*
8 *which is hereby established in the fund.*

9 (b) *The board, upon appropriation by the Legislature to the*
10 *board, shall expend the money in the Animal Nutrients Account,*
11 *after consultation with the Department of Food and Agriculture,*
12 *for low-interest loans, not to exceed _____ dollars (\$_____) per loan,*
13 *to finance the construction of projects designed to manage animal*
14 *nutrients from animal feeding operations, and for grants to local*
15 *public agencies to administer local grant and loan programs to*
16 *public, private, and nonprofit entities to assist in projects or*
17 *programs that mitigate the impact of animal feeding operations*
18 *within their jurisdictions. These funds may also be used for the*
19 *preparation of the related environmental reviews that may be*
20 *necessary under the California Environmental Quality Act*
21 *(Division 13 (commencing with Section 21000) of the Public*
22 *Resources Code) for approval of the projects.*

23 81031.5. (a) *The sum of sixty million dollars (\$60,000,000),*
24 *upon appropriation by the Legislature from the fund to the board,*
25 *shall be expended by the board for grants to municipalities or*
26 *nonprofit organizations for the purposes of this section.*

27 (b) *The purposes of this section are to provide funds to improve*
28 *agricultural water quality through monitoring, demonstration*
29 *projects, research, construction for corrective actions, and to*
30 *provide matching funds for federal grant programs.*

31 (c) *For the purposes of this section, “nonprofit organization”*
32 *means any California corporation organized under Section*
33 *501(c)(3) or 501(c)(5) of the Internal Revenue Code.*

34 (d) *Grants may be awarded to meet requirements for*
35 *nonfederal matching funds set forth in Section 205(j) of the Clean*
36 *Water Act (33 U.S.C. Sec. 1285(j)) or Section 319(h) of the Clean*
37 *Water Act (33 U.S.C. Sec. 1329(h)).*

38 81032. *Not more than 5 percent of the funds made available*
39 *pursuant to this chapter may be expended for administrative*
40 *purposes.*

1 81032.5. *The board may adopt regulations that establish*
2 *eligibility criteria for grants and loans awarded pursuant to this*
3 *chapter.*

4 81033. *For the purposes of awarding grants pursuant to this*
5 *chapter, the board may require matching funds from nonstate*
6 *sources. Matching funds may include in-kind services. The*
7 *requirements for matching funds may be waived if the board*
8 *determines that there is financial hardship. Projects for which no*
9 *matching funds are required due to financial hardship shall meet*
10 *all other eligibility criteria.*

11
12 CHAPTER 6. CLEAN WATER PROGRAM
13

14 Article 1. Clean Water Program Account
15

16 81035. For the purposes of this chapter, “account” means the
17 Clean Water Program Account established by Section 81036.

18 81036. The Clean Water Program Account is hereby
19 established in the fund. The sum of ____ dollars (\$____) is hereby
20 transferred from the fund to the account.

21
22 Article 2. Definitions
23

24 81037. Unless the context otherwise requires, the following
25 definitions govern the construction of this chapter:

26 (a) “Eligible project” means a project or activity described in
27 paragraph (1), (2), (3), or (4) of subdivision (a) of Section 13480
28 that is all of the following:

29 (1) Necessary to prevent water pollution, reclaim water, or
30 improve water quality.

31 (2) Eligible for funds from the State Revolving Fund Loan
32 Subaccount established by subdivision (a) of Section 79121 or
33 federal assistance.

34 (3) Certified by the board as entitled to priority over other
35 eligible projects.

36 (4) Complies with applicable water quality standards, policies,
37 and plans.

38 (b) “Federal assistance” means money provided to a
39 municipality, either directly or through allocation by the state,

1 from the federal government to construct eligible projects
2 pursuant to the Clean Water Act.

3 (c) “Municipality” has the same meaning as defined in Section
4 1362 of the Clean Water Act and also includes the state and local
5 public agencies.

6 (d) “Small community” means a municipality with a
7 population of 20,000 persons or less, or a reasonably isolated and
8 divisible segment of a larger municipality where the segment of
9 the population is 20,000 persons or less, with financial hardship as
10 determined by the board.

11 (e) “Treatment works” has the same meaning as defined in the
12 Clean Water Act.

13

14 Article 3. State Revolving Fund Loan Program

15

16 81038. The sum of ~~_____dollars (\$_____)~~ *one hundred fifty*
17 *million dollars (\$150,000,000)* is hereby transferred from the
18 account to the State Revolving Fund Loan Subaccount established
19 by subdivision (a) of Section 79121 and, notwithstanding Section
20 13340 of the Government Code, is hereby continuously
21 appropriated, without regard to fiscal years, to the board for the
22 purpose of providing loans pursuant to the Clean Water Act, to aid
23 in the construction or implementation of eligible projects.

24 81039. Not more than 5 percent of the funds made available
25 pursuant to this article may be expended for administrative
26 purposes.

27

28 Article 4. Small Communities Grant Program

29

30 81040. The sum of ~~_____dollars (\$_____)~~ *one hundred million*
31 *dollars (\$100,000,000)* is hereby transferred from the account to
32 the Small Communities Grant Subaccount established by
33 subdivision (b) of Section 79121 and, notwithstanding Section
34 13340 of the Government Code, is hereby continuously
35 appropriated, without regard to fiscal years, to the board for the
36 purpose of providing grants by the board to small communities for
37 construction of eligible treatment works.

38 81041. Not more than 5 percent of the funds made available
39 pursuant to this article may be expended for administrative
40 purposes.



Article 5. Water Recycling Program

81044. For the purposes of this article, “subaccount” means the Water Recycling Subaccount established by Section 81045.

81045. (a) The Water Recycling Subaccount is hereby established in the account. The sum of ~~_____dollars (\$_____)~~ *four hundred fifty million dollars (\$450,000,000)* is hereby transferred from the account to the subaccount for the purposes of this article.

(b) Notwithstanding Section 13340 of the Government Code, _____ percent of the money in the subaccount is hereby continuously appropriated, without regard to fiscal years, to the board for low-interest loans to municipalities for the design and construction of water recycling projects in accordance with Section 81046.

(c) _____ percent of the money in the subaccount, upon appropriation by the Legislature to the board, shall be expended by the board as follows:

(1) For grants and low-interest loans to municipalities for the design and construction of water recycling projects in accordance with Section 81046.

(2) For plans, surveys, research, development, and studies, undertaken by contract or otherwise, necessary or desirable to carry out this article, and recommendations with regard thereto, including the preparation of comprehensive statewide or areawide studies and reports on the collection, treatment, and disposal of waste and wastewater recycling. For the purposes of this paragraph, “research” may include the design, acquisition, installation, or construction of monitoring and testing equipment and related facilities. At least one-half of 1 percent, but not more than 1 percent, of the total amount made available pursuant to this subdivision shall be expended for the purposes of this paragraph.

(d) Funding for grants for the purposes of paragraph (1) of subdivision (c) shall be limited to 30 percent of eligible costs, up to _____ dollars (\$_____) per project.

81046. The board may enter into agreements with municipalities for loans and grants for projects to recycle water in accordance with this article. Criteria to be considered by the board in determining whether to enter into an agreement under this article shall include, but are not limited to, all of the following:

(a) (1) Whether the project is a cost effective means to meet the state or local water supply needs, when compared to other sources of water supply that may be available to the municipality.

(2) Notwithstanding paragraph (1), the cost-effectiveness of a project when compared to other sources of state or local water supply may not be the sole factor in determining whether to enter into an agreement.

(b) Whether the project will augment state or regional water supplies consistent with, or otherwise will be consistent with, criteria set forth in the water recycling construction program priority list adopted by the board to implement the Costa-Machado Water Act of 2000 (Division 26 (commencing with Section 79000)).

(c) The amount of funding that the municipality is requesting under this article.

81047. An agreement entered into pursuant to Section 81046 may include those provisions determined by the board to be necessary for the purposes of this article.

81048. Not more than 5 percent of the funds made available pursuant to this article may be expended for administrative purposes.

~~Article 6.—Animal Nutrients Program~~

~~81052.—The sum of _____ dollars (\$_____) is hereby transferred from the account to the Animal Nutrients Subaccount, which is hereby established in the account. The board, upon appropriation by the Legislature, shall expend the money in the Animal Nutrients Subaccount, after consultation with the Department of Food and Agriculture, for low interest loans, not to exceed _____ dollars (\$_____) per loan, to finance the construction of projects designed to manage animal nutrients from animal feeding operations, and for grants to local public agencies to administer local grant and loan programs to public, private, and nonprofit entities to assist in projects on programs that mitigate the impact of animal feeding operations within their jurisdictions. These funds may also be used for the preparation of the related environmental reviews that may be necessary under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for approval of the projects.~~

1 ~~81053. Not more than 5 percent of the funds made available~~
2 ~~pursuant to this article may be expended for administrative~~
3 ~~purposes.~~

4 ~~81054. The board may adopt regulations that establish criteria~~
5 ~~for loans awarded pursuant to this article.~~

6
7 ~~Article 7. Agricultural Water Quality Program~~
8

9 ~~81056. (a) The sum of _____ dollars (\$_____), upon~~
10 ~~appropriation by the Legislature from the account to the board,~~
11 ~~shall be expended by the board for grants to municipalities or~~
12 ~~nonprofit organizations for the purposes of this article.~~

13 ~~(b) The purposes of this article are to provide funds to improve~~
14 ~~agricultural water quality through monitoring, demonstration~~
15 ~~projects, research, construction for corrective actions, and to~~
16 ~~provide matching funds for federal grant programs.~~

17 ~~(c) For the purposes of this article, "nonprofit organization"~~
18 ~~means any California corporation organized under Section~~
19 ~~501(c)(3) or 501(c)(5) of the Internal Revenue Code.~~

20 ~~(d) Grants may be awarded to meet requirements for~~
21 ~~nonfederal matching funds set forth in Section 205(j) of the Clean~~
22 ~~Water Act (33 U.S.C. Sec. 1285(j)) or Section 319(h) of the Clean~~
23 ~~Water Act (33 U.S.C. Sec. 1329(h)).~~

24 ~~(e) The board may adopt regulations to implement this article.~~

25 ~~(f) Not more than 5 percent of the total amount appropriated~~
26 ~~pursuant to this section may be expended for administrative~~
27 ~~purposes.~~

28
29 ~~Article 8.~~
30

31 ~~Article 6. Watershed Protection Program~~
32

33 ~~81058. The sum of _____ dollars (\$_____)~~ *one hundred million*
34 *dollars (\$100,000,000)* ~~is hereby transferred from the account to~~
35 ~~the Watershed Protection Subaccount established by subdivision~~
36 ~~(a) of Section 79075. These funds, upon appropriation by the~~
37 ~~Legislature to the board, shall be expended by the board for grants~~
38 ~~to municipalities or nonprofit organizations for the purposes of~~
39 ~~Article 2 (commencing with Section 79075) of Chapter 6 of~~
40 ~~Division 26 in accordance with this article.~~

1 81059. (a) Notwithstanding Section 79079.5, each of the
2 state's hydrologic regions shall receive a minimum amount of 6.66
3 percent of the total amount of funding made available pursuant to
4 Section 81058.

5 (b) Any funds appropriated pursuant to this article that exceed
6 the minimum amount described in subdivision (a) shall be
7 allocated in accordance with subdivision (b) of Section 81062.

8 (c) Funds allocated to one hydrologic region may not be
9 transferred to another hydrologic region.

10 81061. Grants may be awarded by the board under this article
11 only to an eligible entity that has a local watershed group assisting
12 that entity. The board may not award grants for implementation
13 projects unless there is a completed local watershed plan and the
14 implementation projects are consistent with the local watershed
15 plan and the county's general and specific plans.

16 81062. (a) Subject to subdivision (b), grants awarded
17 pursuant to this article do not require local matching funds and the
18 absence of local matching funds may not be used by the board as
19 criteria for grading, or evaluating, applicants for funding under
20 this article.

21 (b) Grants awarded for actions within a hydrologic region that
22 exceed the minimum amount of funding available under
23 subdivision (a) of Section 81059 are subject to a 25-percent match
24 of the total cost of the projects described in the application from
25 funds from any other source.

26
27 CHAPTER 7. OCEAN AND BRACKISH WATER DESALINATION
28 PROGRAM
29

30 81064. For the purposes of this chapter, "account" means the
31 Desalination Development Account.

32 81065. The Desalination Development Account is hereby
33 established in the fund. The sum of ~~_____ dollars (\$_____)~~ *five*
34 *hundred million dollars (\$500,000,000)* is hereby transferred from
35 the fund to the account for the purposes of implementing this
36 chapter.

37 81066. The money in the account, upon appropriation by the
38 Legislature to the department, shall be expended by the
39 department for grants and low-interest loans to local public
40 agencies for the purpose of pilot projects, demonstration projects,



or projects for pretreatment, salt removal, and brine management of a water supply, as well as research and development activities related to those purposes. The department shall expend the funds made available pursuant to this section for desalination programs for ocean water, brackish water, and agricultural drainage water.

81067. Not more than 5 percent of the funds made available pursuant to this chapter may be expended for administrative purposes.

81068. The department may adopt regulations that establish criteria for awarding loans and grants pursuant to this chapter.

~~81069. For the purposes of awarding a grant pursuant to this chapter, an applicant shall demonstrate that at least 50 percent of the total cost of the project will be met by matching funds or donated services from nonstate sources.~~

81069. For the purposes of awarding grants pursuant to this chapter, the department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the department determines that there is financial hardship. Projects for which no matching funds are due to financial hardship shall meet all other eligibility criteria.

CHAPTER 8. INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM

81070. The sum of ~~=====~~ dollars (~~\$=====~~) *one billion dollars (\$1,000,000,000)*, upon appropriation by the Legislature from the fund to the department, shall be expended by the department for grants and low-interest loans to local public agencies for projects that are part of integrated regional water management programs.

81071. Projects funded pursuant to Section 81070 shall include one or more of the following features:

(a) Programs and projects for water supply reliability, water conservation, and water use efficiency.

(b) Stormwater capture, storage, treatment, and management.

(c) Removal of invasive nonnative plants, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open-space and watershed lands.

(d) Nonpoint source pollution reduction, management, and monitoring.

(e) Groundwater recharge and management projects.

(f) Contaminate and salt removal through reclamation, desalting, and other treatment technologies.

(g) Water banking, exchange, reclamation, and improvement of water quality, including water quality blending.

(h) Planning and implementation of multipurpose flood control programs that protect property and improve water quality, stormwater capture and percolation, and protect or improve wildlife habitat.

(i) Watershed management planning and implementation.

(j) Demonstration projects to develop new drinking water treatment and distribution methods.

81072. (a) In making grants and loans under this chapter, the department shall consider projects and programs that are consistent with existing regional planning efforts, including, but not limited to, projects and programs that reduce the use of Colorado River water and mitigate impacts on the Salton Sea, implement the Sacramento Valley Water Management Agreement ~~as approved by the board~~, implement the Westside Integrated Resources Plan, *implement the regional water facilities master plan of the San Diego County Water Authority*, and implement the Santa Ana Watershed Project.

(b) Each hydrologic region of the state shall receive at least 2.5 percent of the total amount appropriated to the department pursuant to Section 81070.

81073. *For the purposes of awarding grants pursuant to this chapter, the department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the department determines that there is financial hardship. Projects for which no matching funds are due to financial hardship shall meet all other eligibility criteria.*

CHAPTER 9. FLOOD CONTROL SUBVENTIONS AND CAPITAL OUTLAY PROGRAM

Article 1. Flood Protection Program

81074. The sum of ~~_____ dollars (\$_____)~~ *one hundred seventy-five million dollars (\$175,000,000)* is hereby transferred

1 from the fund to the Flood Control Subventions Subaccount
2 established by subdivision (a) of Section 79055 for expenditure by
3 the department for the purposes of subdivision (a) of Section
4 79057.

5 81075. ~~Of the~~ *The* funds transferred pursuant to Section
6 81074, ~~the sum of _____ dollars (\$_____)~~ shall be expended for the
7 purpose of providing the state's share of all capital outlay projects
8 that were authorized by the Legislature before January 1, _____
9 2001.

10
11 Article 2. Floodplain Mapping Program
12

13 81078. The sum of ~~_____ dollars (\$_____)~~ *twenty million*
14 *dollars (\$20,000,000)* is hereby transferred from the fund to the
15 Floodplain Mapping Subaccount established by subdivision (a) of
16 Section 79033 for the purposes of Section 79033.4.

17 81080. Not more than 5 percent of the funds made available
18 pursuant to this article may be used for administrative purposes.
19

20 Article 3. National Flood Insurance Assistance Program
21

22 81082. (a) It is the intent of the Legislature to address the
23 problem of soaring federal flood insurance rates by assisting local
24 governments to meet technical requirements for participation in
25 the National Flood Insurance Program and the National Flood
26 Insurance Program's Community Rating System.

27 (b) Notwithstanding Section 13340 of the Government Code,
28 the sum of _____ dollars (\$_____) is hereby continuously
29 appropriated, without regard to fiscal years, from the fund to the
30 department, as follows:

31 (1) ~~_____ dollars (\$_____)~~ *Five hundred thousand dollars*
32 *(\$500,000)* to educate and provide technical assistance to cities
33 and counties regarding the National Flood Insurance Program and
34 the enrollment process.

35 (2) ~~_____ dollars (\$_____)~~ *Five hundred thousand dollars*
36 *(\$500,000)* to educate and provide technical assistance to cities
37 and counties currently enrolled in the National Flood Insurance
38 Program with regard to the National Flood Insurance Program's
39 Community Rating System and the implementation of activities
40 creditable under that system.

Article 4. Flood Protection Corridor Program

81084. The sum of ~~=====dollars (\$=====)~~ *one hundred million dollars (\$100,000,000)* is hereby transferred from the fund to the Flood Protection Corridor Subaccount established by subdivision (a) of Section 79035 for the purposes of subdivision (a) of Section 79037.

81085. Not more than 5 percent of the funds made available pursuant to this article may be expended for administrative purposes.

81086. *For the purposes of awarding grants pursuant to this article, the department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the department determines that there is financial hardship. Projects for which no matching funds are due to financial hardship shall meet all other eligibility criteria.*

Article 5. Urban Stream Restoration Program

81088. The sum of ~~=====dollars (\$=====)~~ *sixty million dollars (\$60,000,000)* is hereby transferred from the fund to the Urban Stream Restoration Subaccount established by subdivision (a) of Section 79060 for the purposes of Section 79062.

81089. *For the purposes of awarding grants pursuant to this article, the department may require matching funds from nonstate sources. Matching funds may include in-kind services. The requirement for matching funds may be waived if the department determines that there is financial hardship. Projects for which no matching funds are due to financial hardship shall meet all other eligibility criteria.*

CHAPTER 10. GROUNDWATER STORAGE PROGRAM

81092. The sum of ~~=====dollars (\$=====)~~ *three hundred million dollars (\$300,000,000)* is hereby transferred from the fund to the Conjunctive Use Subaccount established by Section 79172 for the purposes of Article 2 (commencing with Section 79170) of Chapter 9 of Division 26.

1 81093. The sum of ~~_____ dollars (\$_____)~~ *twenty million*
2 *dollars (\$20,000,000)* is hereby transferred from the fund to the
3 Local Groundwater Assistance Fund for the purposes of Part 2.78
4 (commencing with Section 10795) of Division 6.

5 81093.5. *For the purposes of awarding grants pursuant to this*
6 *chapter, the department may require matching funds from nonstate*
7 *sources. Matching funds may include in-kind services. The*
8 *requirement for matching funds may be waived if the department*
9 *determines that there is financial hardship. Projects for which no*
10 *matching funds are due to financial hardship shall meet all other*
11 *eligibility criteria.*

12
13 CHAPTER 11. SURFACE WATER STORAGE PROGRAM
14

15 81094. For the purposes of this chapter, “account” means the
16 Surface Water Storage Construction Account.

17 81094.5. The Surface Water Storage Construction Account is
18 hereby established in the fund.

19 81094.7. The sum of ~~_____ dollars (\$_____)~~ *two billion one*
20 *hundred million dollars (\$2,100,000,000)* is hereby transferred
21 from the fund to the account for the purposes of this chapter.

22 81095. The money in the account, notwithstanding Section
23 13340 of the Government Code, is hereby continuously
24 appropriated, without regard to fiscal years, to the department for
25 the purpose of constructing surface water storage facilities
26 approved by the California Bay-Delta Authority, and included as
27 part of the Integrated Storage Investigations conducted under the
28 CALFED Bay-Delta Program Record of Decision dated August
29 28, 2000, or as it may be amended.
30

31 CHAPTER 12. WATER CONSERVATION PROGRAM
32

33 Article 1. General Provisions
34

35 81096. For the purposes of this chapter, “account” means the
36 Water Conservation Account.

37 81096.5. The Water Conservation Account is hereby
38 established in the fund.

39 81097. The sum of _____ dollars (\$_____) is hereby transferred
40 from the fund to the account for the purposes of this chapter.

1 81098. (a) Any loan agreement entered into pursuant to this
2 chapter may include provisions determined to be necessary by the
3 department.

4 (b) Any loan agreement pursuant to this chapter shall comply
5 with Section 79154. Any grant agreement pursuant to this chapter
6 shall comply with Section 79155.

7 81099. Notwithstanding any other provision of law,
8 regulations set forth in Chapter 2.3 (commencing with Section
9 450.1) of Division 2 of Title 23 of the California Code of
10 Regulations that are in effect on March 8, 2000, may be used to
11 carry out this chapter.

12 81099.5 *For the purposes of awarding grants pursuant to this*
13 *chapter, the department may require matching funds from nonstate*
14 *sources. Matching funds may include in-kind services. The*
15 *requirement for matching funds may be waived if the department*
16 *determines that there is financial hardship. Projects for which no*
17 *matching funds are due to financial hardship shall meet all other*
18 *eligibility criteria.*

19
20 Article 2. Agricultural Water Conservation Program
21

22 81100. The sum of ~~_____dollars (\$_____)~~ *four hundred fifty*
23 *million dollars (\$450,000,000)* in the account, upon appropriation
24 by the Legislature to the department, shall be expended by the
25 department for grants and loans to local agencies to aid in the
26 acquisition and construction of agricultural water conservation
27 projects in accordance with Article 3 (commencing with Section
28 79157) of Chapter 8 of Division 26.

29
30 Article 3. Urban Water Conservation Program
31

32 81102. The sum of ~~_____dollars (\$_____)~~ *four hundred fifty*
33 *million dollars (\$450,000,000)* in the account, upon appropriation
34 by the Legislature to the department, shall be expended by the
35 department for grants and loans awarded by the department to
36 local agencies for the purposes of funding urban water
37 conservation projects in accordance with Article 6 (commencing
38 with Section 79163) of Chapter 8 of Division 26.
39

CHAPTER 13. THE CALFED BAY-DELTA PROGRAM

81104. The sum of _____ dollars (\$_____) in the fund shall be available for appropriation by the Legislature to implement the CALFED Bay-Delta Program, as follows:

(a) ~~_____ dollars (\$_____)~~ *Thirty million dollars (\$30,000,000)* to the department for surface water storage studies, including, but not limited to, prefeasibility, feasibility, environmental, and planning studies and for designs, land acquisition, and other preconstruction costs. Funds made available pursuant to this subdivision and not expended at the conclusion of all necessary preconstruction costs, may be expended by the department for the construction of surface water storage facilities.

(b) ~~_____ dollars (\$_____)~~ *One hundred ten million dollars (\$110,000,000)* to the department for the water conveyance facilities described in subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(c) ~~_____ dollars (\$_____)~~ *One hundred fifty million dollars (\$150,000,000)* to the department for delta levee restoration. Funds expended pursuant to this subdivision are subject to Section 79050.

(d) ~~_____ dollars (\$_____)~~ *One hundred million dollars (\$100,000,000)* to the Department of Fish and Game for ecosystem restoration program implementation. Of the amount made available pursuant to this subdivision, not less than _____ dollars (\$_____) shall be allocated for projects that assist farmers in integrating agricultural activities with ecosystem restoration. Before selecting these projects, CALFED shall develop a safe harbor and assurances program in cooperation with the state, local public agencies, and stakeholder representatives. Under this program, CALFED shall collaborate with private landowners and local public agencies to develop cooperating landowner commitments and to implement ecosystem restoration goals.

81105. Not more than 5 percent of the funds made available pursuant to this chapter may be expended for independent scientific review, monitoring, and assessment of the results or effectiveness of the project or program expenditure.

81106. All projects financed pursuant to this chapter shall be consistent with the CALFED Bay-Delta Program Record of Decision dated August 28, 2000, or as it may be amended.

1 81107. Not more than 5 percent of the funds made available
2 pursuant to this chapter may be used for administrative costs.

3 81108. Prior to acquiring real property for the purposes of
4 subdivision (d) of Section 81104, the Department of Fish and
5 Game shall determine that existing public land is not available for
6 that purpose. In addition, the California Bay-Delta Authority shall
7 consider the cumulative impacts on the local government and
8 communities of transferring property into government ownership
9 and shall mitigate those impacts.

10
11 CHAPTER 14. THE ENVIRONMENTAL WATER ACCOUNT PROGRAM
12

13 81110. For the purposes of this chapter, “account” means the
14 Environmental Water Account established by Section 81111.

15 81111. The Environmental Water Account is hereby
16 established in the fund. The sum of ~~_____ dollars (\$_____)~~ *five*
17 *hundred million dollars (\$500,000,000)* is hereby transferred from
18 the fund to the account.

19 81112. The money in the account, upon appropriation by the
20 Legislature to the department, shall be expended by the
21 department for the purposes, programs, and projects necessary to
22 implement the Environmental Water Account as described in the
23 CALFED Bay-Delta Program Record of Decision dated August
24 28, 2000, or as it may be amended. For the purposes of acquiring
25 water pursuant to this chapter, the department shall give priority
26 to the acquisition of storage capacity and water rights. All water
27 rights acquisitions purchased to implement the account shall be
28 from willing sellers.

29
30 CHAPTER 15. FISH SCREEN ASSISTANCE PROGRAM
31

32 81113. The sum of ~~_____ dollars (\$_____)~~ *thirty million dollars*
33 *(\$30,000,000)* is hereby transferred from the fund to the Fish
34 Screen Account, which is hereby established in the fund. The
35 Department of Fish and Game, upon appropriation by the
36 Legislature, shall expend the money in the Fish Screen Account
37 for fish screens in accordance with the terms of the cost-sharing
38 agreement between the United States and the State of California
39 as required by subsection (h) of Section 3406 of the Central Valley
40 Improvement Act or any subsequent agreements. The funds shall

1 be expended for the payment of costs allocated to the state for the
2 protection and restoration of fish and wildlife resources pursuant
3 to Section 3406 of that federal act.

4
5 CHAPTER 16. WATER SYSTEM SECURITY PROGRAM
6

7 ~~81114. The sum of _____ dollars (\$_____), upon appropriation~~
8 ~~by the Legislature from the fund to the department, shall be~~
9 ~~expended by the department for the purpose of protecting state,~~

10 *81114. Upon appropriation by the Legislature from the fund,*
11 *fifty million dollars (\$50,000,000) shall be expended by the*
12 *department, and fifty million dollars (\$50,000,000) shall be*
13 *expended by the State Department of Health Services, for the*
14 *purposes of protecting state, regional, and local drinking water*
15 *supplies and water suppliers from terrorist attack or deliberate acts*
16 *of contamination or destruction. Funds may be allocated for*
17 *monitoring and early warning systems, fencing, protective*
18 *structures, contamination treatment facilities, emergency*
19 *interconnections, communications systems, and other projects*
20 *designed to prevent damage to water treatment, distribution, and*
21 *supply facilities, to prevent disruption of drinking water*
22 *deliveries, and to protect drinking water supplies from intentional*
23 *contamination.*

24 *81115. (a) The department administering agency shall*
25 *allocate funds under this chapter for implementation measures,*
26 *that, in the judgment of the department, are directly related to the*
27 *improvement of the security of the state, regional, or local water*
28 *system and the reduction of vulnerability of that system and its*
29 *customers from terrorist attacks, or intentional or deliberate acts*
30 *of contamination or destruction. Funds appropriated pursuant to*
31 *this chapter may not be expended for land or water acquisitions,*
32 *to acquire lands or water, or as mitigation for any environmental*
33 *impacts that may result from actions taken by the public agency to*
34 *improve security.*

35 *(b) At least 1 percent of the funds made available by this*
36 *chapter shall be expended by the department administering agency*
37 *for grants to local public agencies in each hydrologic region of the*
38 *state.*

1 81116. The ~~department~~ *administering agency* may adopt
2 regulations that establish eligibility criteria for grants awarded
3 pursuant to this chapter.

4 ~~81117. For the purposes of awarding a grant pursuant to this~~
5 ~~chapter, an applicant shall demonstrate that at least 50 percent of~~
6 ~~the total cost of the project will be met by matching funds or~~
7 ~~donated services from nonstate sources.~~

8 *81117. For the purposes of awarding grants pursuant to this*
9 *chapter, the administering agency may require matching funds*
10 *from nonstate sources. Matching funds may include in-kind*
11 *services. The requirement for matching funds may be waived if the*
12 *administering agency determines that there is financial hardship.*
13 *Projects for which no matching funds are due to financial hardship*
14 *shall meet all other eligibility criteria.*

15 *81118. Not more than 5 percent of the funds made available*
16 *pursuant to this chapter to each administering agency may be*
17 *expended for administrative purposes.*

18
19 CHAPTER 16.5. MISCELLANEOUS
20

21 *81120. (a) Chapter 3.5 (commencing with Section 11340) of*
22 *Part 1 of Division 3 of Title 2 of the Government Code does not*
23 *apply to the adoption or revision of regulations, guidelines, or*
24 *criteria to implement this division.*

25 *(b) The adoption or revision of regulations, guidelines, or*
26 *criteria, as necessary to implement this division, shall be*
27 *accomplished by means of a public process reasonably calculated*
28 *to provide interested parties an opportunity to be heard.*

29
30 CHAPTER 17. FISCAL PROVISIONS
31

32 *81130. Bonds in the total amount of ____ dollars (\$____), or*
33 *so much thereof as is necessary, not including the amount of any*
34 *refunding bonds, or so much thereof as is necessary, may be issued*
35 *and sold to provide a fund to be used for carrying out the purposes*
36 *expressed in this division and to reimburse the General Obligation*
37 *Bond Expense Revolving Fund pursuant to Section 16724.5 of the*
38 *Government Code. The bonds, when sold, shall be and constitute*
39 *a valid and binding obligation of the State of California, and the*
40 *full faith and credit of the State of California is hereby pledged for*

the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

81131. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727, apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division.

81132. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Safe, Clean, and Reliable Water Supply Finance Committee is hereby established. For purposes of this division, the Safe, Clean, and Reliable Water Supply Finance Committee is the “committee” as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, and the Director of Finance, or their designated representatives. The _____ shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, each state agency that administers an appropriation from the fund is designated the “board.”

81133. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

81134. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

81135. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the

1 State Treasury, for the purposes of this division, an amount that
2 will equal the total of the following:

3 (a) The sum annually necessary to pay the principal of, and
4 interest on, bonds issued and sold pursuant to this division, as the
5 principal and interest become due and payable.

6 (b) The sum necessary to carry out Section 81136, appropriated
7 without regard to fiscal years.

8 81136. For the purposes of carrying out this division, the
9 Director of Finance may authorize the withdrawal from the
10 General Fund of an amount not to exceed the amount of the unsold
11 bonds that have been authorized by the committee to be sold for
12 the purpose of carrying out this division. Any amount withdrawn
13 shall be deposited in the fund. Any money made available under
14 this section shall be returned to the General Fund from proceeds
15 received from the sale of bonds for the purpose of carrying out this
16 division.

17 81137. All money deposited in the fund that is derived from
18 premium and accrued interest on bonds sold shall be reserved in
19 the fund and shall be available for transfer to the General Fund as
20 a credit to expenditures for bond interest.

21 81138. Pursuant to Chapter 4 (commencing with Section
22 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
23 the cost of bond issuance shall be paid out of the bond proceeds.
24 These costs shall be shared proportionally by each program funded
25 through this bond act.

26 81139. The agency that administers an appropriation from the
27 fund may request the Pooled Money Investment Board to make a
28 loan from the Pooled Money Investment Account, including other
29 authorized forms of interim financing that include, but are not
30 limited to, commercial paper, in accordance with Section 16312
31 of the Government Code, for the purpose of carrying out this
32 division. The amount of the request shall not exceed the amount
33 of the unsold bonds that the committee, by resolution, has
34 authorized to be sold for the purpose of carrying out this division.
35 The requesting agency shall execute any documents required by
36 the Pooled Money Investment Board to obtain and repay the loan.
37 Any amounts loaned shall be deposited in the fund to be allocated
38 by the requesting agency in accordance with this division.

39 81140. The bonds may be refunded in accordance with Article
40 6 (commencing with Section 16780) of Chapter 4 of Part 3 of



Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this division includes the approval of the issuance of any other bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

81141. Notwithstanding any provision of this division or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this division that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of that state.

81142. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this division are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. Section 1 of this act shall become effective upon the approval by the voters of the Safe, Clean, and Reliable Water Supply Water Bond Act of 2004, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the ____ election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 4. (a) Notwithstanding any other provision of law, all ballots at the election shall have printed thereon and in a square thereof, the words: “Safe, Clean, and Reliable Water Supply Water Bond Act of 2004” and in the same square under those words, the following in 8-point type: “This act provides for a bond issue of ____ dollars (\$____) to provide funds for a water quality, water security, and water supply infrastructure improvement program.”

1 Opposite the square, there shall be left spaces in which the voters
2 may place a cross in the manner required by law to indicate
3 whether they vote for or against the act.

4 (b) Where voting in the election is done by means of voting
5 machines used pursuant to law in a manner that carries out the
6 intent of this section, the use of the voting machines and the
7 expression of the voters' choice by means thereof are in
8 compliance with this section.

9 SEC. 5. The provisions of this act are severable. If any
10 provision of this act or its application is held invalid, that invalidity
11 shall not affect other provisions or applications that can be given
12 effect without the invalid provision or application.

13 SEC. 6. This act is an urgency statute necessary for the
14 immediate preservation of the public peace, health, or safety
15 within the meaning of Article IV of the Constitution and shall go
16 into immediate effect. The facts constituting the necessity are:

17 In order to remedy critical drinking water, water quality, and
18 water supply problems, thereby protecting public health and
19 safety, it is necessary that this act take effect immediately.

20 _____
21 CORRECTIONS

22 Text — Pages 4,6,7,9,10,12,13,& 15.
23 _____
24

